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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/07

SPONSOR M. J. Garcia LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Cooperative Advertising Program SB 58

ANALYST Earnest

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$600.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

Responses Not Received From

Economic Development Department (EDD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 58 appropriates \$600 thousand from the general fund to the Economic Development Department to support the cooperative advertising program.

### FISCAL IMPLICATIONS

The appropriation of \$600 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2008 shall revert to the general fund.

### SIGNIFICANT ISSUES

The cooperative advertising program at EDD provides matching funds to local economic development organizations to support marketing and advertising needs in communities across the state. In FY07, EDD awarded \$200 thousand to about 45 communities.

EDD requested an additional \$300 thousand for this program in FY08, bringing total funding to \$500 thousand. The LFC recommendation (House Bill 7) includes an additional \$150 thousand., for a total of \$350 thousand.

**PERFORMANCE IMPLICATIONS**

With an additional \$300 thousand, the department estimated an increase of 15 to 25 participants with average awards of \$8 to \$10 thousand. With a \$600 thousand increase, these figures might double.

**ADMINISTRATIVE IMPLICATIONS**

EDD should be able to manage an increase in funding for this program with existing resources.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

This appropriation duplicates an appropriation in the General Appropriation Act, but at a higher funding level.

**OTHER SUBSTANTIVE ISSUES**

The Tourism Department also runs cooperative advertising program, funded at about \$1 million in FY07.

BE/mt